



## Status update #4 on the disassociation of FSC from APP

8 September 2015

The Forest Stewardship Council (FSC) has decided to enter into a dialogue with the Asia Pulp & Paper Group (APP) about the establishment of a roadmap addressing APP's non-compliances with the FSC Policy for Association. The decision was taken by the FSC Board at their 69<sup>th</sup> meeting in Kuala Lumpur in August 2015 following the evaluation of independent reports and documentation submitted by APP.

The evaluation concluded that APP has demonstrated a top management commitment towards complying with the FSC Policy for Association, has adopted relevant policies to improve its previous business practices, and has begun credible steps towards implementation of these policies in a transparent manner involving relevant stakeholders.

Based largely on the Rainforest Alliance independent evaluation report, which assessed implementation of APP's Forest Conservation Policy until August 2014, the FSC Board considered that the impact of this policy, beyond suspending natural forest clearance for new plantation areas whilst High Conservation Value and High Carbon Stock assessments are completed, has so far been limited. Therefore entering into this dialogue would not necessarily mark a near ending of APP's disassociation status. The dialogue would represent the beginning of a journey to further improve APP's performance and practices on the ground, to be in line with the FSC Policy for Association.

Main areas of concern to FSC are the ongoing forest clearance and illegal logging by third parties on APP supplier concession areas, forest tenure and use right conflicts with traditional and local communities, poor working and living conditions for the forest workers employed by contactors and sub-contractors, and continuing threats to High Conservation Values in both natural forest and plantation areas.

The envisaged roadmap therefore shall take the form of an action and monitoring plan providing APP with a framework for phasing out, correcting, compensating for and preventing reoccurrence of any previously identified, or ongoing, violations of the FSC Policy for Association. At the same time stakeholders will not only have a benchmark for APP's performance and need for further improvements, but also the opportunity to provide input in the process of developing, monitoring and updating the roadmap.

### **The FSC concept of disassociation**

Disassociation is the termination of all existing contractual relationships between FSC and an organization, such as FSC membership or an FSC trademark licensing agreement. Disassociation decisions are taken by the FSC Board of Directors and usually imply that an organization has been found involved in one of the unacceptable activities specified in the FSC Policy for Association. Disassociation leads to the suspension of any FSC certificates an organization may hold, as a valid FSC licensing agreement is a prerequisite for certification. Ending the effectiveness of a disassociation does not mean that any of the previous contractual relationships is resumed or any certificates are reinstated, but that there is no longer an embargo in principle if the organization wishes to do so.

### **Further information**

FSC's Policy for Association: <https://ic.fsc.org/fsc-pol-01-004.867.htm>

APP's progress towards implementation of its Forest Conservation Policy: <https://www.asiapulppaper.com/monitoring-dashboard>